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# FLETCHER & SIPPEL LLC

ATTORNEYS AT LAW

29 North Wacker Drive  
Suite 920  
Chicago, Illinois 60606-2832

MYLES L. TOBIN  
(312) 252-1500  
mtobin@fletcher-sippel.com

SURFACE TRANSPORTATION BOARD

Phone: (312) 252-1500  
Fax: (312) 252-2400  
www.fletcher-sippel.com

August 21, 2008



*Via Overnight (Next Business Day) Delivery*

Ms. Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20423-0001  
Attn: Office of Recordations

Dear Secretary Quinlan:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are an original and two (2) copies of (1) Memorandum of Omnibus Amendment to Fourth Amended and Restated Loan and Security Agreement, dated as of August 21, 2008 and (b) an Amendment to Amended and Restated Assignments of Rents and Lessor's Interest in Leases, dated August 21, 2008, all secondary documents as defined in the Board's Rules for the Recordation of Documents.

The enclosed documents relate to a Memorandum of Loan and Security Agreement and Supplemental Memoranda previously filed with the Board under Recordation Numbers 26497 through 26497-M.

The names and addresses of the parties to the enclosed documents are:

Debtor:	Permian Basin Railways, Inc. Central Car Repair, LLC Isla Largo, LLC 118 South Clinton Street Suite 400 Chicago, Illinois 60601
	Arizona Eastern Railway
	San Luis & Rio Grande Railroad
	Texas and New Mexico Railroad

# FLETCHER & SIPPEL LLC

Ms. Anne K. Quinlan

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West Texas & Lubbock Railway

Chicago Terminal Railroad Company

High Iron Travel Corp.

Mount Hood Railroad Company

Mount Hood Railroad Dinner Train

Hood River Rail Company, LLC

**Secured Parties:**

Fifth Third Bank (Chicago)  
222 South Riverside Plaza  
32<sup>nd</sup> Floor  
Chicago, Illinois 60606

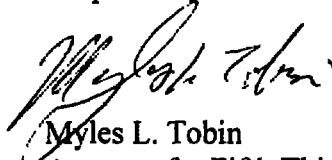
RBS Citizens, N.A.  
71 South Wacker Drive  
Suite 1295  
Chicago, Illinois 60606

A description of the railroad equipment is included as Exhibit A to the document. Included in the property covered by the aforesaid documents are rolling stock and equipment intended for use and related to interstate commerce, and includes rolling stock or equipment acquired by Debtors or its or their successors **after the date** of the documents.

Also enclosed is a check in the amount of \$82.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Respectfully submitted,



Myles L. Tobin  
Attorney for Fifth Third Bank (Chicago)

Enclosures.

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SURFACE TRANSPORTATION BOARD

**AMENDMENT TO AMENDED AND RESTATED  
ASSIGNMENTS OF RENTS AND LESSOR'S INTEREST IN LEASES**

THIS AMENDMENT to the Amended and Restated Assignments of Rents and Lessor's Interest in Leases (the "Amendment") is dated and effective as of August 21, 2008 by PERMIAN BASIN RAILWAYS, INC., an Illinois corporation, CENTRAL CAR REPAIR, LLC, an Illinois limited liability company, and ISLA LARGO, LLC, an Illinois limited liability company, all having their principal offices at 118 South Clinton Street, Suite 400, Chicago, Illinois 60661 (collectively "Borrower").

**RECITALS**

- A. Borrower and Fifth Third Bank (Chicago) ("Fifth Third") entered into that Fourth Amended and Restated Loan and Security Agreement dated as of April 28, 2008 pursuant to which Fifth Third agreed to make certain Revolving and Term Loans to Borrower (the "Loan Agreement").
- B. Pursuant to the Loan Agreement, Borrower and Fifth Third entered into three Amended and Restated Assignments of Rents and Lessor's Interest in Leases (collectively the "Assignment of Rents Agreements"), each dated as of April 28, 2008, and each naming Fifth Third as Assignee.
- C. The Loan Agreement contemplated that future bank participants might be added as parties to the Loan Agreement, and the parties now desire to add RBS Citizens, N.A. ("RBS") as a bank participant with respect to the Loan Agreement and an Assignee with respect to the Assignment of Rents Agreements.


NOW THEREFORE, in consideration of the foregoing Recitals, and the mutual covenants and agreements hereinafter set forth, the parties hereto agree as follows:

- 1. RBS is hereby named as an Assignee with respect to the Assignment of Rents Agreements.
- 2. Except as expressly set forth herein, all of the terms, covenants, agreements and conditions set forth in the Assignment of Rents Agreements shall remain unmodified and in full force and effect. To the extent any of such terms, covenants, agreements or conditions in the Loan Agreement, any of the other Loan Documents executed and delivered in connection with the Assignment of Rents Agreements, or this Amendment, may contradict or be in conflict with the Assignment of Rents Agreements, as amended hereby, such terms, covenants, agreements and conditions are hereby deemed modified and amended accordingly, effective as of the date hereof, to reflect the terms and conditions of the Assignment of Rents Agreements, as amended hereby.

[Signatures on following page]


IN WITNESS WHEREOF, the Borrower has executed this Amendment as of the date first above written.

PERMIAN BASIN RAILWAY, INC., an Illinois corporation

By:   
Its: President

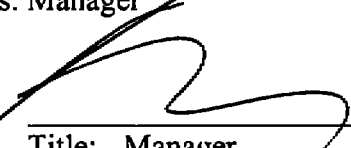
CENTRAL CAR REPAIR, LLC., an Illinois limited liability company

By: Iowa Pacific Holdings, LLC  
Its: Manager

By:   
Title: Manager

ISLA LARGO, LLC., an Illinois limited liability company

By: Iowa Pacific Holdings, LLC  
Its: Manager

By:   
Title: Manager

**EXHIBIT A**

**Model Description of Locomotives**

**Road Nos.**

GP 38  
GP 38  
GP 38  
GP 38  
GP 38  
GP 38  
GP 38  
GP 38  
GP 38  
GP 38  
GP 38

PDMX 49  
PDMX 50  
PDMX 51  
PDMX 52  
PDMX 53  
PDMX 54  
PDMX 55  
PDMX 56  
PDMX 57  
PDMX 58  
PDMX 63

Permian Basin Railway  
ISLA Largo Purchases - break-out  
12/31/2007

ISLA Purchases		AJE (34) - to reclass locomotive purchases incorrectly posted to SLRG that belong to ISLA	
10/12/2007	370,000.00 ✓	PBR's BOOKS	
10/12/2007	(35,000.00) ✓	1177 Inco - PBR/ISLA	2,818,058.07
11/12/2007	334,000.00 ①	1233 Track & Road bad SLRG	(2,500,000.00)
		1256 Rolling Stock - SLRG	(312,750.00)
10/8/2007	93,530.51 ✓	7030 Interest Income	5,308.07
10/8/2007	93,530.51 ✓		
10/8/2007	93,530.51 ✓		
10/8/2007	24,780.91 ✓		
11/8/2007	305,380.44 ①	ISLA BOOKS	
		1248 Locomotives	2,818,058.07
11/13/2007	600,000.00 ✓	1172 Intercompany (PBR)	(2,818,058.07)
11/15/2007	600,000.00 UV-5		
11/20/2007	1,578,677.63 ✓		
11/20/2007	1,578,677.63 UV-5		
PBR - WTLC Purchases			
12/14/2007	1,800,000.00 UV-2		
	4,818,058.07		
✓ 3 F40 SLUGs	Σ ①		
	639,380.44 UV-5		

purchase of 3 F40s SLUGS  
sale of 3 locomotive hulls (MMA 462, MMA 253, MMA 280)  
wired to Rail World Locomotives

Inv.#10200 SLUG work  
Inv.#10201 SLUG work  
Inv.#10202 SLUG work  
Inv.#10199 Mother work  
wired to American Motive Power

purchase of #18 & #20 Steam engine locomotives (2)  
wired to Brian Fleming

purchase of (5) 1953 Budd Full Dome Car  
wired to WestTours Motor Coaches

Dimmit Line Purchase  
TOTAL Fixed Asset Purchases

Mount Hood

LOCOMOTIVE

UNIT	MODEL DESCRIPTION	IDENTIFICATION	YEAR	OWNER	PRICE
MH02	G.P. 38	7181-122	1969	MHRR	\$181,350
MH88	G.P. 9	5608-18	1959	MHRR	\$135,000
MH89	G.P. 9	7575-27	1959	MHRR	\$130,000

TOTAL 3 \$426,350

ROLLING STOCK

UNIT	MODEL DESCRIPTION	IDENTIFICATION	YEAR	OWNER	PRICE
1080	DINING CAR "TIMBERLINE"	1080	1911	MHRR	\$156,000
1056	OBSERVATION COACH "LOOKOUT MOUNTAIN"	1056	1928	MHRR	\$35,000
1067	STANDARD COACH "PARKDALE"	1067	1928	MHRR	\$35,000
1068	STANDARD COACH "ODELL"	1068	1928	MHRR	\$35,000
1070	STANDARD COACH "KATHERINE"	1070	1910	MHRR	\$35,000
1040	CABOOSE	1040	1952	MHRR	\$10,000
A-5	FAIRMONT MOTOR CAR	A-5	1975	MHRR	\$5,000
MT-14	FAIRMONT MOTOR CAR	MT-14	1985	MHRR	\$7,000
	TRAILER CAR W/SPRAYER		1988	MHRR	\$3,500
RS01	LOUNGE CAR "HOOD RIVER"	RS01	1947	MHRR	\$100,000
RS02	DINNER CAR "MT. HOOD"	RS02	1947	MHRR	\$150,000
RS03	KITCHEN CAR "WYEAST"	RS03	1948	MHRR	\$200,000
RS04	DINNER CAR "MT. ADAMS"	RS04	1947	MHRR	\$150,000
MH116	CABOOSE	MH116	1968	MHRR	\$10,000
SLSF1700	CABOOSE	SLS1700	1968	MORGAN	\$10,000
672935	ELECTROMATIC MARK 1 TAMPER	672935	1974	MHRR	\$35,000
142382	JACKSON TAMPER	142382	1989	MHRR	\$30,000

TOTAL 6 \$1,008,500

MISCELLANEOUS EQUIPMENT

UNIT	MODEL DESCRIPTION	IDENTIFICATION	YEAR	OWNER	PRICE
	CASE BACKHOE			MHRR	\$13,000
	YALE FORKLIFT (MODEL L83P050SA "086LP")	L286541		MHRR	\$5,000
	MISC. TOOLS & MAINTENANCE EQUIP.			MHRR	\$10,000
	OFFICE FURNITURE & EQUIP.			MHRR	\$50,000

TOTAL 4 \$78,000

Model Description of Locomotives

Road Nos.

GE B39-8 Locomotive  
GE B39-8 Locomotive  
GE B39-8 Locomotive  
GE B39-8 Locomotive  
GE B39-8 Locomotive

MMA 8560  
MMA 8522  
MMA 8536  
MMA 8539  
MMA 8548



# Iowa Pacific equipment acquisition financing

## Locomotive Units to be acquired

Number	Type	MFR	Date	Rebuilt	HP	Service	Seller
8522	B39-8	GE	1987		3900	Part of LMX lease fleet, most recently on CSX, then MMA	RailWorld/broker
8536	B39-8	GE	1987		3900	Part of LMX lease fleet, most recently on CSX, then MMA	RailWorld/broker
8539	B39-8	GE	1987		3900	Part of LMX lease fleet, most recently on CSX, then MMA	RailWorld/broker
8548	B39-8	GE	1987		3900	Part of LMX lease fleet, most recently on CSX, then MMA	RailWorld/broker
8560	B39-8	GE	1987		3900	Part of LMX lease fleet, most recently on CSX, then MMA	RailWorld/broker
18 2-8-0		Alco	1910	1989	1500	Built for LS&I, presently in service on Mt. Hood Railroad	Fleming Locomotive
20 2-8-0		Alco	1910	1930	1500	Built for LS&I, stored, to be rebuilt	Fleming Locomotive

5 units

## Cars to be acquired

Number	Type	MFR	Date	Rebuilt	seats	Service	Seller
509	dome	Budd	1954	1990	70	Built for Santa Fe, presently running on Alaska Railroad	Holland America/Westours
510	dome	Budd	1954	1990	70	Built for Santa Fe, presently running on Alaska Railroad	Holland America/Westours
511	dome	Budd	1954	1990	70	Built for Santa Fe, presently running on Alaska Railroad	Holland America/Westours
551	dome	Budd	1954	1990	70	Built for Santa Fe, presently running on Alaska Railroad	Holland America/Westours
554	dome	Budd	1954	1990	70	Built for Santa Fe, presently running on Alaska Railroad	Holland America/Westours

## Rolling Stock

### Locomotives

Mark	Number	Builder	Type	H.P.	Built	Serial#	Frame#	Acquire	Assign	Owner	Status
AZER	2039	EMD	GP-20	2000	1961	28308	7585-005	2004	AZER	AZER	active
AZER	2044	EMD	GP-20E	2000	1962	27353	5634-	2004	AZER	AZER	active
AZER	2045	EMD	GP-20R	2000	1961	28311	7585-008	2004	AZER	AZER	active
AZER	2046	EMD	GP-20R	2000	1961	28312	7585-009	2004	AZER	AZER	active
AZER	2170	EMD	GP-20	2000	1960	25703	7583-18	2004	AZER	AZER	active
AZER	2171	EMD	GP-20	2000	1960	28291	7584-	2004	AZER	AZER	active
AZER	2501	EMD	GP-35	2250	1961	28403	7682-006	2004	AZER	AZER	active
AZER	2502	EMD	GP-35	2250	1965	30219	7780-003	2004	AZER	AZER	active
AZER	2503	EMD	GP-35	2250	1965	30221	7790-005	2004	AZER	AZER	active
TNMR	852	EMD	GP-7	1500	1951	11837	5041-	2003	TNMR	IL	active
WTLC	3635	EMD	GP-35	2000	1969	35375	7181-	2003	WTLC	IL	active
SLRG	453	EMD	F-40M	3000	1978			2006	SLRG	IL	active
SLRG	455	EMD	F-40M	3000	1978			2006	SLRG	IL	active
SLRG	456	EMD	F-40M	3000	1978			2006	SLRG	IL	active
SLRG	459	EMD	F-40M	3000	1978			2006	SLRG	IL	active
SLRG	1100	EMD	F-8	1500	1949			2006	SLRG	IL	c/s
SLRG	1114	EMD	F-8	1500	1949			2006	SLRG	IL	c/s
SLRG	462	EMD	F-40 slug	n/a	1978			2006	SLRG	IL	c/s
SLRG	460	EMD	F-40 slug	n/a	1978			2006	SLRG	IL	c/s
SLRG	461	EMD	F-40 slug	n/a	1978			2006	SLRG	IL	c/s
TPW	2050	EMD	GP-20	2000	1960	25582	7584-20	2005	WTLC	SLRG	c/s
TPW	2052	EMD	GP-20	2000	1960	25576	7584-4	2005	WTLC	SLRG	c/s
TPW	2054	EMD	GP-20	2000	1960	25577	7584-5	2005	WTLC	SLRG	c/s
TPW	2056	EMD	GP-20	2000	1960	25877	7603-47	2005	WTLC	SLRG	c/s
TNMR	2078	EMD	GP-18	1600	1952	16882	5152-8	2005	TNMR	SLRG	c/s
TNMR	2151	EMD	GP-7	1500	1953	16888	6522-8	2005	TNMR	SLRG	c/s

#### Acquired by Permian Basin Railways in December, 2006

GE B39-8 Locomotive (Bearing reporting marks RLCX8524)

GE B39-8 Locomotive (Bearing reporting marks RLCX8527)

GE B39-8 Locomotive (Bearing reporting marks RLCX8537)

GE B39-8 Locomotive (Bearing reporting marks RLCX8542)

GE B39-8 Locomotive (Bearing reporting marks RLCX8577)

# Freight and Passenger Cars

Mark	Number	Builder	Type	Built	Capy	Acquire	Assign	Owner	Status
RPCX	2948	Pullman	Coach	1955	108-pax	2002	SLRG	Isla Largo	In Svc
RPCX	2968	Pullman	Coach	1955	108-pax	2002	SLRG	Isla Largo	In Svc
RPCX	2970	Pullman	Coach	1955	108-pax	2002	SLRG	Isla Largo	In Svc
RPCX	2974	Pullman	Coach	1955	108-pax	2002	SLRG	Isla Largo	In Svc
AZER	5064	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5082	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5097	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5189	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5201	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5221	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5224	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5228	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5312	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5313	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5327	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5328	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5341	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5352	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5369	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5388	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	5407	Greenbrier	Flat	1970	70 tons	2004	AZER	AZER	In Svc
AZER	5460	Greenbrier	Flat	1968	70 tons	2004	AZER	AZER	In Svc
AZER	7013	Greenbrier	Flat	1966	70 tons	2004	AZER	AZER	In Svc
AZER	7040	Greenbrier	Flat	1966	70 tons	2004	AZER	AZER	In Svc
AZER	5508	Greenbrier	MW-Flat	1958	100 tons	2004	AZER	AZER	In Svc
AZER	8771	Magor	MW-Side dump	1929	70 tons	2004	AZER	AZER	In Svc
AZER	1208	Magor	MW-Side dump	1929	70 tons	2004	AZER	AZER	In Svc
AZER	1144	Pullman-Standard	MW-Ballast	1957	70 tons	2004	AZER	AZER	In Svc
AZER	3892	Pullman-Standard	MW-Ballast	1963	100 tons	2004	AZER	AZER	In Svc
TNMR	5507	Unknown	MW-Flat	1951	50 tons	2002	TNMR	TNMR	In Svc
TNMR	5508	Unknown	MW-Flat		60 tons	2002	TNMR	TNMR	In Svc

## Acquired in January, 2007

Indiana Railcar purchase of INRD1 and INRD2 passenger cars

## Acquired in May, 2007

Baldwin 2-6-0 Steam Locomotive (NOGC 1744)

# **Maintenance of Way Equipment**

Year	Make	Model	Type	VIN #	Assign	Leinholder
1995	Kershaw	BR590	26-2-2 Ballast Regulator	s/n 25-1381	TNMR	SBC Capital
1992	Kershaw		Ballast Regulator		AZER	
	Jackson	2400	Tamper		AZER	
	Jackson	850	Tie Crane		AZER	
	Pettibone		Speed Swing		AZER	
	Geismar		Tie Ramover		AZER	
	Unknown		Portable Weed Sprayer		TNMR	
	Unknown		Push Cart		TNMR	
	Unknown		Push Cart		AZER	
	Unknown		Push Cart		AZER	
	Unknown		Push Cart		AZER	
	Pettibone	441B	Speed Swing		SLRG	
	Cannon	BEB	Ballast Regulator		SLRG	
	Fairmount Tamper	ETDAG		s/n 487630, unit TT-618	AZER	Santa Barbara B & T
	Fairmount Tamper	ECTR-130G		s/n 3581194, unit TT-589	TNMR	ACC Capital